



**Congressman Jim Jordan (R-OH), RSC Chairman**  
**Congressman Connie Mack (R-FL), RSC Repeal Task Force Chairman**

## **EDA Elimination Act**

October 12, 2011

**Background:** Buried in the Department of Commerce, the Economic Development Administration (EDA) was established in 1965 as part of President Lyndon Johnson's Great Society and has spent billions on grants. Similar to earmarks, the Administration uses the EDA to advance particular local projects that narrowly benefit a certain company or group of people. **The EDA simply picks winners and losers by region, by industry, and by community.**

On October 4<sup>th</sup>, Congressman Mike Pompeo (R-KS) introduced H.R. 3090, the EDA Elimination Act.

### **What We Know:**

- **What the Bill Will Do:** H.R. 3090 will end this wasteful wealth distribution program. If adopted, the EDA Elimination Act would result in the most significant elimination of a federal agency in decades.
- **How Much this Will Save:** Eliminating the EDA will save around \$4 billion over 10 years. It was listed by the bipartisan [Simpson-Bowles Deficit Reduction Commission](#) as a way to save billions of dollars.
- **Why this is Wasteful:** Fundamentally, the EDA is not the role of the federal government. It tries to direct local economic activity through "politicized subsidy vehicles." In addition, it is duplicative—there are multiple state, local, and private sector sources of funding for economic development projects—and ineffective. The GAO has reported that EDA grants ["did not have significant effect"](#) on the success of projects and ["may even detract"](#) from a more flexible workforce.
- **Examples of Wasteful Projects:**
  - **\$2,000,000** to begin construction of the UNLV Harry Reid Research and Technology Park in Las Vegas, NV;
  - **\$500,000** to build replicas of the Great Wall of China and the Great Pyramid in Indiana;
  - **\$2,000,000** for wine tasting room, and gift shop in Washington State; and
  - **\$350,000** to renovate a theater in Colorado.

*This legislation is supported by Club for Growth and Citizens Against Government Waste.*

**MEMBER ACTION ITEM:** All RSC Members are encouraged to support H.R. 3090. Please contact Jim Richardson with Rep. Pompeo at [Jim.Richardson@mail.house.gov](mailto:Jim.Richardson@mail.house.gov) to cosponsor this legislation.

If you would like to participate in the RSC Repeal Task Force, please email [Curtis.Rhyne@mail.house.gov](mailto:Curtis.Rhyne@mail.house.gov).

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*"The RSC Repeal Task Force's mission is to put our nation onto a path of greater economic freedom by eliminating U.S. federal laws and regulations that impede or inhibit economic growth, prosperity and opportunity."*